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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Support account for peace-keeping operations

Report of the Secretary-General

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I. INTRODUCTION

1. The support account for peace-keeping operations was established effective 1 January 1990 under the terms of paragraph 9 of General Assembly resolution 45/258 of 3 May 1991. The operation of the account became effective on 1 May 1990 by incorporating the resources relating to the overload posts that were being funded from the separate budgets of the five existing peace-keeping operations financed, at that time, outside the scope of the regular budget, namely, the United Nations Disengagement Orbserver Force (UNDOF), the United Nations Peace-keeping Force in Cyprus (UNFICYP), the United Nations Interim Force in Lebanon (UNIFIL), the United Nations Iran-Iraq Military Observer Group (UNIIMOG) and the United Nations Observer Group for Central America (ONUCA). The account was intended to meet the needs at Headquarters for the support of those five ongoing peace-keeping operations as well as some of the immediate additional workload associated with the pre-implementation phase of prospective operations. It was envisaged that additional posts would be provided from the support account to meet the increased workload caused by new peace-keeping operations.

2. By way of background, it is recalled that in a report of 5 December 1989 (A/C.5/44/45), the Secretary-General had put forward proposals to the Advisory Committee on Administrative and Budgetary Questions that included, inter alia, a change in the arrangements that were in place at the time for the provision of the overload posts authorized to supplement the provisions under the regular budget for managerial, legal, technical and administrative support and for backstopping of good offices and peace-keeping operations. The proposals would result in the apportionment of the cost of overload posts in a more equitable manner through the inclusion in all future peace-keeping operation budgets of a financial provision based on a fixed percentage rate applied to the total cost of the civilian component of a mission. Those financial provisions would be maintained in the separate account for support of peace-keeing operations against which temporary posts would be established. In addition, it was proposed that any balance remaining at the end of the financial period would remain in the account for the purpose of providing continuing support to the offices dealing with peace-keeping matters during periods of peak workload, particularly when new peace-keeping operations must be established at short notice.

3. In its response to the Secretary-General's proposals (A/44/868, annex), the Advisory Committee indicated, inter alia, that the establishment of the account was, in principle, attractive and requested that the mechanism for future financing of the overload posts be formulated in a way that would facilitate proper scrutiny by the Advisory Committee and the General Assembly and that the proposal be resubmitted at a later stage. A follow-up report (A/CN.1/R.1121) was presented to the Advisory Committee at its 1990 spring session on the basis of which the Committee, while expressing certain reservations, concurred with the interim establishment of a support account for peace-keeping operations in 1990, pending approval by the General Assembly.

4. In his report of 18 September 1990 to the General Assembly (A/45/493), the Secretary-General proposed, as a first step, that beginning in 1991 the financing of the overload posts would be through the inclusion of a provision of an amount equal to 8.5 per cent of the cost of the civilian component of each mission in the respective budgets of peace-keeping operations. That percentage was considered appropriate since it was derived from the relationship of the aggregate cost of the overload posts existing at that time to the aggregate cost of the civilian mission posts approved for the five peace-keeping operations. Moreover, it was noted that the five peace-keeping operations were made up of three that had military forces and two that were observer missions. It was further suggested that the proposed financing method be reviewed at the end of the first two years, in the light of the actual experience gained during the operation of the support account and taking into consideration the amounts made available to the account from peace-keeping budgets approved by the Assembly.

5. In paragraph 14 of its report to the General Assembly (A/45/801), the Advisory Committee indicated that it had some reservations regarding the application of an "across the board" percentage that might not reflect the varied requirements of different peace-keeping operations, both current and future. Under the circumstances, the Committee took note of the percentage recommended by the Secretary-General and believed that whatever percentage was approved by the Assembly should be seen as a first step. The Committee further indicated that it intended to keep both the percentage approved and the methodology on which it was based under review and that it would recommend changes in methodology as necessary. The Committee indicated that it would review each request for posts to ensure that every effort had been made to achieve savings through consolidation of functions whenever possible in the light of the greater flexibility brought about by the establishment of the support account.

II. INCREASES IN PEACE-KEEPING OPERATIONS

6. Since the establishment of the support account for peace-keeping operations, seven of eight additional peace-keeping missions (excluding the United Nations Operation in Somalia (UNSOM) contributed to the account and two missions have ceased to contribute. The current status is as follows:

Operation	Status
UNFICYP	Continuing
UNDOF	Continuing
UNIFIL	Continuing
UNIIMOG	Terminated on 28 February 1991

Operation	Status
United Nations Iraq-Kuwait Observation Mission (UNIKOM)	Continuing
United Nations Angola Verification Mission (UNAVEM)	Started on 3 January 1989 and was enlarged as UNAVEM II on 1 June 1991
United Nations Mission for the Referendum in Western Sahara (MINURSO)	Started on 17 May 1991
United Nations Observer Mission in El Salvador (ONUSAL)	Started on 1 July 1991
United Nations Advance Mission in Cambodia (UNAMIC)	Started on 1 November 1991 and was merged with UNTAC on 15 March 1992
ONUCA	Terminated on 17 January 1992
United Nations Protection Force (UNPROFOR)	Started on 21 February 1992
United Nations Transitional Authority in Cambodia (UNTAC)	Started on 15 March 1992
UNOSOM	Started on 1 May 1992

7. The present report provides information on the support account during the first two years of its operation through 31 December 1991. It also provides an indication of the results arising from the use of a single percentage in calculating the amount included in each of the peace-keeping operations for the support account and of the projected use of the account during 1992.

III. INCREASES IN RESOURCES

Additional resources provided during 1991

8. Initially 92 overload posts were incorporated in the support account. These consisted of 41 posts in the Professional category and above and 51 in the General Service category. On 21 December 1990, the Advisory Committee agreed to the request of the Controller for the giving up of two General Service/Field Service posts at Geneva in order to establish a post at the D-1 level in the Department of Peace-keeping Operations. That agreement reduced the number of peace-keeping support account posts to 91, as shown in column 2 of annex I to the present report. Fifty of these posts were encumbered by staff members with permanent contracts.

9. By its letter of 14 November 1991, the Advisory Committee concurred in the establishment of 35 of 39 additional posts requested on 6 November 1991. The 35 new posts consisted of 3 P-5, 6 P-4, 5 P-3 and 21 GS (5 at the principal level) and were distributed among the following offices:

(a) Internal Audit Division: 1 P-4;

(b) Peace-keeping Financing Division: 1 P-4 and 1 GS (principal level);

(c) Accounts Division: 1 P-5 and 1 GS;

(d) Treasury Division: 1 GS;

(e) Staff Administration and Training Division: 1 GS;

(f) Medical and Employee Assistance Division: 1 P-4 and 1 GS;

(g) Buildings and Commercial Services Division: 1 P-4, 1 P-3 and 3 GS;

(h) Field Operations Division: 1 P-5, 2 P-4, 4 P-3, 4 GS (principal level) and 9 GS;

(i) Advisory Committee on Administrative and Budgetary Questions: 1 P-5 (one half funded from reimbursement for support to extrabudgetary administrative structures).

This new authorization, which took effect on 1 January 1992, increased the number of peace-keeping support account posts from 91 to 126, as shown in annex I, column 3.

10. On 14 December 1991, the Advisory Committee concurred in the request of the Controller of 9 December 1991 for 48 work-months of temporary assistance consisting of 12 work-months at the P-3 level and 36 work-months at the General Service level. This temporary assistance was provided to the Field Operations Division to meet peak workload requirements.

Additional resources provided during 1992

11. By his letter of 12 February 1992, the Controller requested the approval of the Advisory Committee to utilize an amount of $2,845,300 from the support account to cover the cost of rental of some 64,710 square feet of office space in the Alcoa building, including utilities and certain non-recurrent costs for minor alterations and acquisition of furniture and fixtures during the biennium 1992-1993. The space was required in order to compensate for the accommodation provided in other Headquarters buildings for mission support personnel for backstopping peace-keeping operations. On 18 February 1992, the Advisory Committee concurred in the request for a commitment authority for the rental of the space, on the understanding that the amount requested should be regarded as a ceiling. The Committee was not, however, convinced that the Organization's proposal to enter into a six-year lease with the Alcoa building was the most suitable alternative, nor was it convinced of the need to spend

$500,000 for the acquisition of furniture and fixtures. The Committee, recalling its earlier intention to consider whether the support account should be charged for common services, in the context of the report on the operation of the support account, indicated that it was not yet prepared to take a decision on the proposed method of financing for the rental of office space in the Alcoa building. In addition, the Advisory Committee requested that the rental options be reviewed and a report therein be presented at a later time.

12. The Controller, on 28 February 1992, sought the concurrence of the Advisory Committee for an additional 138 work-months of temporary assistance, consisting of 12 work-months at the D-1 level, 3 work-months at the P-5 level, 21 work-months at the P-4 level, 10 work-months at the P-3 level and 92 work-months at the General Service level. In addition, three new posts (2 P-4 and 1 GS) were requested. In response to that request the Advisory Committee agreed to the granting of 106 work-months of temporary assistance, providing for 3 work-months at the P-5 level, 21 work-months at the P-4 level, 6 work-months at the P-3 level and 76 work-months at the GS level. The Committee did not approve the establishment of the three new posts requested. The distribution of the approved temporary assistance was as follows:

(a) Office of Legal Affairs: 1 P-4 for 12 months;

(b) Field Operations Division: 1 P-5, 3 P-4, 2 P-3 and 20 GS for 3 months each;

(c) Medical and Employee Assistance Division: 1 GS for 4 months;

(d) Department of Administration and Management: 1 GS for 12 months.

13. By his letter of 12 May 1992, the Acting Controller requested the concurrence of the Advisory Committee for the establishment of nine additional posts for the following offices:

(a) Peace-keeping Financing Division: 1 D-2;

(b) Field Operations Division: 3 P-3 and 5 GS;

In addition, a request was included for 288 work-months of temporary assistance (equivalent to 24 posts) over a period of 12 months as follows:

(c) Internal Audit Division: 2 P-4 and 2 P-3;

(d) Accounts Division: 3 GS;

(e) Financial Management and Control Division: 1 GS;

(f) Field Operations Division: 2 P-3 and 5 GS;

(g) Buildings and Commercial Services Division: 1 P-4, 1 P-3, 1 P-2 and 3 GS;

(h) Electronic Service Division: 3 GS.

14. On 20 May 1992, the Advisory Committee concurred with the establishment of the nine new posts as well as the 288 work-months of temporary assistance requested.

15. As a result of the approvals by the Advisory Committee, the total number of authorized posts financed by the support account for peace-keeping operations increased from 126 to 135. The summary distribution of the 135 posts is shown in column 4 of annex I, while a detailed distribution by office and post level is provided in annex II.

16. Currently, of the 135 posts authorized from the support account, 60 are encumbered by staff members with permanent contracts, 54 are filled by staff members with fixed-term contracts and the remainder are filled by staff members with short-term contracts.

IV. FINANCIAL STATUS OF THE ACCOUNT FROM INCEPTION TO 31 DECEMBER 1992 AS AT 30 SEPTEMBER 1992

17. The income credited to the account since it became operational, from 1 May 1990 to 31 December 1991, amounted to $12,846,492, inclusive of $396,132 derived from interest income as at 31 December 1991. The expenses relating to the 91 posts authorized during the same period ending 31 December 1991 amounted to $9,655,139. In addition, an amount of $800,000 was set aside as a partial operating reserve towards the building up of a reserve equal to 20 per cent of annual estimated income in accordance with the policies formalized for such accounts and effective 1 January 1982. This resulted in an unencumbered balance in the account at 31 December 1991 of $2,391,353. Details of the income received and expenses incurred are shown in annex III, column 1.

18. As at 30 September 1992, additional income amounting to $12,100,940 was credited to the account. That amount reflects the resources approved within the budgets of existing peace-keeping missions by the General Assembly or as modified by the Advisory Committee. In addition, interest and miscellaneous income amounted to $177,960, bringing the total income received to $12,278,900. The expenses relating to the 135 posts and temporary assistance authorized as well as for the rental of office space for the period from 1 January to 31 December 1992 is currently estimated at $10,909,600 consisting of actual expe[illegible]ture of $8,130,700 from 1 January to 30 September 1992 and an amount of $2,778,900 representing the projected requirement from 1 October to 31 December 192 for staff costs. An additional sum of $1,300,000 is required in the operating reserve for 1992, thus increasing the total reserve to $2,100,000, to meet the reserve requirement in the account. A breakdown of the income received and actual and projected expenditure for 1992 is shown in column 2 of annex III.

19. Column 3 of annex III provides the combined income and expenditure, and unencumbered balance from inception to 31 December 1992. As indicated in the annex, as at 30 September 1992 the projected unencumbered balance in the account at the end of 1992 is estimated at $2,460,653.

V. OBSERVATIONS

20. The support account for peace-keeping operations is providing the resources required at Headquarters to cope with the increased number of good offices, peacemaking, peace-keeping operations and other related activities. The Departments of Peace-keeping Operations and Administration and Management, the Executive Office of the Secretary-General and the Office of Legal Affairs are receiving such resources.

21. In all cases, requests for staff resources, whether by way of new posts or temporary assistance, require the authorization of the Advisory Committee. It should be noted that the additional resources are usually approved some time after the offices have been requested to respond to additional responsibilities. Consequently, the shortage of staff is most critical during the periods of intense activity when new peace-keeping operations are being established.

22. The posts funded from the support account for peace-keeping operations are temporary. They are provided to the offices at Headquarters directly involved with peace-keeping matters to carry out their "core" responsibilities in connection with peace-keeping. The number of such posts will vary over time depending on their need. Temporary assistance is also provided to enable offices to meet additional workload generated during peak periods.

23. In order to lessen the difficulties encountered by offices requiring additional staff resources, it is now proposed that consideration be given to authorizing the Secretary-General, through the Controller, to approve the use of temporary assistance when there is a demonstrated need for such resources.

24. As indicated in paragraph 5 above, the Advisory Committee in its report (A/45/801) indicated reservations as to the application of an "across the board" percentage for the funding of the account. While it is recognized that no two peace-keeping operations are identical, it can be seen that the use of the approved percentage has not provided an excessive level of resources to the account. The full common service costs attributable to the posts financed from the support account would have resulted in an additional amount of $1,138,400 being charged to the account apart from the recorded expenditure for rental. Those additional costs are currently absorbed by the regular budget. It is proposed therefore, that consideration be given to charging full common service costs to the support account.

VI. RECOMMENDATIONS

25. It is recommended that the Secretary-General, through the Controller, be allowed, when the need arises, to authorize a limited amount of temporary assistance. A report indicating, ex post facto, the temporary assistance authorized would be submitted to the Advisory Committee within two months of authorization. In authorizing the temporary assistance, the criteria set out in paragraph 14 of the report of the Secretary-General (A/45/493) as the basis for requesting new posts from the support account would be met.

26. It is further recommended that all applicable common service costs be charged to the support account, beginning in January 1994.

VII. ACTION TO BE TAKEN BY THE GENERAL ASSEMBLY

27. The actions to be taken by the General Assembly at its forty-seventh session in connection with the support account for peace-keeping operations are:

(a) The maintenance of the current funding arrangements for the support account through the provision in each of the budgets of the peace-keeping operations of an amount equal to 8.5 per cent of the cost of the civilian components of the missions;

(b) A decision authorizing the Secretary-General, through the Controller, to approve temporary assistance in accordance with the conditions set out in paragraph 25 above;

(c) A decision regarding common service costs being charged to the support account beginning in 1994.

ANNEX I

Support account for peace-keeping operations

Distribution of authorized posts by office

	1 May 90 (1)	1 January 91 (2)	1 January 92 (3)	1 June 92 (4)
Executive Office of the Secretary-General	4	4	4	4
Department of Peace-keeping Operations	9	10	10	10
Office of Legal Affairs	1	1	1	1
Department of Administration and Management				
Internal Audit Division	2	2	3	3
Office of Programme Planning, Budget and Finance				
Peace-keeping Financing Division	11	11	13	14
Accounts Division	4	4	6	6
Treasury Division	2	2	3	3
Office of Human Resources Management				
Recruitment and Placement Division	2	2	2	2
Staff Administration and Training Division	3	3	4	4
Medical and Employee Assistance Division	-	-	2	2

	1 May 90 (1)	1 January 91 (2)	1 January 92 (3)	1 June 92 (4)
Office of General Services				
Buildings and Commercial Services Division	13	13	18	18
Field Operations Division	37 a/	35	55	63
Electronic Services Division	4	4	4	4
Advisory Committee on Administrative and Budgetary Questions	-	-	1 b/	1 b/
Total	92	91	126	135

a/ Includes 2 GS/FS posts at the United Nations Office at Geneva.

b/ One half funded from reimbursement for support to extrabudgetary administrative structures.

ANNEX II

Support account for peace-keeping operations

Distribution of authorized posts by office and post level
beginning on 1 June 1992

	D-2	D-1	P-5	P-4	P-3	P-2/1	GS Principal level	GS Other level	Total
Executive Office of the Secretary-General	1	-	1	1	-	-	-	1	4
Department of Peace-keeping Operations	-	1	1	3	-	-	-	5	10
Office of Legal Affairs	-	-	-	-	1	-	-	-	1
Department of Administration and Management									
Internal Audit Division	-	-	-	3	-	-	-	-	3
Office of Programme Planning, Budget and Finance									
Peace-keeping Financing Division	1	-	1	5	1	-	1	5	14
Accounts Division	-	-	1	2	1	-	-	2	6
Treasury Division	-	-	-	-	-	-	-	3	3

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	D-2	D-1	P-5	P-4	P-3	P-2/1	GS Principal level	GS Other level	Total
Office of Human Resources Management									
Recruitment and Placement Division	-	-	-	-	1	-	-	1	2
Staff Administration and Training Division	-	-	-	2	-	-	-	2	4
Medical and Employee Assistance Division	-	-	-	1	-	-	-	1	2
Office of General Services									
Buildings and Commercial Services Division	-	-	-	1	5	-	-	12	18
Field Operations Division	-	-	3	10	11	-	4	35	63
Electronic Services Division	-	-	-	-	-	1	-	3	4
Advisory Committee on Administrative and Budgetary Questions	-	-	1 a/	-	-	-	-	-	1
Total	2	1	8	28	20	1	5	70	135

a/ One half funded from reimbursement for support to extrabudgetary administrative structures.

ANNEX III

Support account for peace-keeping operations

Income and expenditure for the periods from 1 May 1990 to 31 December 1991 and for 1 January to 31 December 1992 as at 30 September 1992

(United States dollars)

	1990/1991 (1)	1992 (2)	Total (3)
I. Income			
UNFICYP	1 205 700	506 000	1 711 700
UNDOF	902 100	532 600	1 434 700
UNIFIL	3 947 570	1 701 830	5 649 400
UNIIMOG	784 500	-	784 500
ONUCA	1 657 000	204 300	1 861 300
UNIKOM	1 144 390	982 410	2 126 800
MINURSO	1 785 000	238 000	2 023 000
ONUSAL	544 000	985 000	1 529 000
UNAVEM II	406 500	1 272 500	1 679 000
UNAMIC/UNTAC	100 600	4 248 300	4 348 900
UNPROFOR	-	1 430 000	1 430 000
Interest and miscellaneous income	369 132	177 960	547 092
Total (I)	12 846 492	12 278 900 a/	25 125 392
II. Less expenditure and reserve			
Salaries	6 916 775	5 806 300	12 723 075
Temporary assistance	-	1 285 900	1 285 900
Common staff costs	2 738 364	2 693 700	5 432 064
Rental of premises	-	1 123 700	1 123 700
Operating reserve	800 000	1 300 000	2 100 000
Total (II)	10 455 139	12 209 600 b/	22 664 739
Unencumbered fund balance (I) less (II)	2 391 353	69 300	2 460 653

a/ Excludes an amount of $120,100 to be credited in 1993.

b/ Includes projected expenditure from 1 October to 31 December 1992 in the amount of $2,778,900.